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CENTRAL INTELLIGENCE AGENCY 'Washington, D. C.



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15 Fobruary 1950

SUBJECT: Classified Contract Security

1. This Instruction establishes special procedures normally involved in procuring equipment and services through classified contracts.

2. Contractor Clearance

- a. When a need exists for procuring classified equipment or services, procurement of intelligence information excepted, the Assistant Director or Staff Chief concerned shall, prior to contact with prospective contractors, concurrently notify:
 - (1) The Contracting Officer of the nature of the equipment or services required and consult with the Contracting Officer with respect to prospective contractors available as sources of procurement.
 - (2) The Inspection and Security Staff of the sensitivity, and, if the project will be submitted to the Projects Review Committee, the approximate date of the hearing.
 - b. The Contracting Officer will:
 - (1) Obtain Personnel Security Questionnaires (NME Form 48) from all contractor employees with whom the project will be discussed and forward them to the Inspection and Security Staff.
 - (2) Prior to furnishing classified material or information to a contractor, the Contracting Officer shall require the contractor to execute an appropriate Secreey Agreement.
 - (3) When a contractor is selected the Contracting Officer will provide him with a copy of the CIA Security Requirements for Contractors and advise him of the importance of maintaining CIA security standards.
 - c. The Chief, Inspection and Security Staff, will:
 - (1) Review the security classification of the project and advise as to its fitness.

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(2) Conduct security investigations to establish clearance or non-clearance of contractor employees mentioned above, obtain credit rating and general reputation of prospective contractors and will forward appropriate information to the Contracting Officer.

3. Personnel Clearance

- a. When the Contracting Officer is reasonably certain that a contract will be awarded, he shall obtain from the contractor, and forward to the Inspection and Security Staff for action, Personnel Security Questionnaires covering all persons who will be directly concerned with the project or cognizant of its nature. When the contract becomes effective, and thereafter, the Contracting Officer will obtain from the contractor and forward to the Inspection and Security Staff Personnel Security Questionnaires covering additional personnel not previously considered who may become aware of the project.
- b. The Inspection and Security Staff will inform the Contracting Officer of the results of security investigations, that is, whether clearances are granted or persons are not approved for employment. The Contracting Officer will advise the contractor of security clearances issued. Inspection and Security Staff in coordination with the Contracting Officer will notify the contractor of non-clearances.
- c. The Contracting Officer will notify Inspection and Security Staff when the employment of contractor personnel is transferred or terminated and, if for cause, the reasons therefor.

4. Physical Inspections

When a sensitive classified contract is awarded, or upon request of the Contracting Officer, the Inspection and Security Staff shall review available information and if necessary physically inspect the contractor's plant to determine the nature and extent of security precautions required to meet CIA security standards and submit a report of findings.

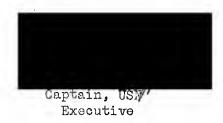
- 5. The CIA Security Requirements for Contractors and the Secrecy Agreement will be incorporated into the contract by reference and made a part thereof.
- 6. The Contracting Officer will advise the Inspection and Socurity Staff when a contract is completed or terminated. After a contract has been completed or terminated a new security clearance is required for subsequent contracts.
- 7. The Inspection and Security Staff will notify the Federal Bureau of Investigation of the security features of appropriate classified contracts.

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CONFIDENTIAL

8. Request for any exceptions to the provisions of this Instruction will be submitted to the Executive with appropriate justification.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:



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Attachment: CIA Security Requirements for Contractors

DISTRIBUTION: A.